

U.S. Treasury Provides Guidance on Government Benefit Checks and the Use of Third Party Drafts

In response to Hurricane Katrina, the U.S. Department of the Treasury encourages depository institutions to ease their customary identification requirements for presenting Treasury checks for Social Security, Office of Personnel Management, and Railroad Retirement benefit payments. Many benefit recipients impacted by the storm may be without traditional forms of identification such as a driver's license or other government issued identification.

Recognizing the urgency of the situation, the Treasury encourages depository institutions to seek other verification methods for affected customers. Depository institutions are especially encouraged to call the following numbers with the customer on the line:

Social Security Administration	1-800-772-1213
Office of Personnel Management	1-202-606-4899
Railroad Retirement Board	1-713-209-3045 (Houston)
	1-501-324-5241 (Little Rock)

Depository institutions that follow this procedure under these extraordinary circumstances will be granted flexibility in the event of a check forgery reclamation action.

The agencies have a process in place which is used to verify the identity of individuals by telephone. Depository institutions can use this process to verify the identity of beneficiaries/customers by allowing the customer/beneficiary to be identified by phone using this process. The agency representative can ask the individual to provide necessary identifying information which the agency representative can use to compare to information contained in the agency's records, allowing the agency to authenticate the individual.

Depository institutions should also take notice that the Social Security Administration (SSA) and the Department of Veterans Affairs are issuing replacement checks, in the form of third party drafts, to benefit recipients who are unable to receive or locate their regular Treasury checks. These third party drafts are legitimate, negotiable instruments. An SSA-issued third party draft is multicolored bluish/green in color and has a warning band at the top of the draft that states "THE FACE OF THIS DOCUMENT HAS A MULTICOLORED BACKGROUND ON WHITE PAPER." There is a large SSA seal in the middle of the draft in all white. The address on the face of the draft is "UNITED STATES OF AMERICA - SOCIAL SECURITY ADMINISTRATION -OFFICE OF FINANCE - P.O. BOX 47- BALTIMORE, MARYLAND 21235." The paying bank listed on the draft is JP Morgan Chase Bank.

Regarding the third party drafts issued by the Department of Veterans Affairs, the paying bank listed on the draft is CitiBank. These drafts are also accompanied by a letter signed

by the Director of the Regional Office issuing the draft. The letter includes a telephone number to call with any questions.